

Remarks

Claims 1-23 are pending. Claims 1, 2, 14-17, 20, and 22 are amended. No new matter is entered.

Applicants thank the Examiner for the interview on March 27, 2008. This response is made pursuant to the discussions during the interview.

Claims 15-17 are rejected under 35 U.S.C. § 112, ¶2 as being indefinite. Claims 15-17 are amended herein. Withdrawal of the § 112 rejection of claims 15-17 is respectfully requested.

Claims 20-23 are rejected under 35 U.S.C. § 102(e) as being unpatentable over Huttenlocher (20030093343). Claims 1, 2, 4, 5 and 12 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Shaw (20030004859) in view of Lupien (5,689,652). Claims 6-11 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Shaw in view of Lupien and Huttenlocher. Claims 3 and 13 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Shaw in view of Lupien and official notice by the examiner. Claim 14 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Shaw in view of Lupien further in view of Cushing (7162447). Applicants respectfully traverse for the following reasons.

Huttenlocher generally describes a standalone trading system in which user specified controls over visibility and matching of orders can be used to guide distribution of order information within the trading system. (Huttenlocher, Abstract, Fig. 1). Such a system is provided in order to limit access of order information to interested parties so that non-interested parties cannot take advantage of the order information. (Huttenlocher, Abstract).

Some of the advantages of embodiments of the invention provide a system that can execute a trade at a price that minimizes a difference between a reference price and order price limits. This means that the system is configured to calculate a reference price and then execute a trade at a price that minimizes a difference between the reference price and order price limits. This allows for a traders or market participants to place aggressively-priced orders (for example, when a sell price limit is less than a reference price, or when a buy price limit is greater than a reference price) into an electronic matching book without disclosing a limit price to a contra party, or falling victim to strategies that freely detect such a limit price, and to receive immediate executions when matching orders are found, priced as close to a reference price as the order limit will permit.

The Office Action summarizes claim 20 and alleges that claim 20 is taught by Huttenlocher. The Office Action overlooks the numerous elements of claim 20 in the rejection. Specifically, the Office Action ignores the element of claim 20 that recites: “wherein said execution engine is operative to execute a trade for a first order for a security and a second order for said security at a trade execution price, wherein said trade execution price complies with a first price limit of said first order and a second price limit of said second order, and wherein said trade execution price is calculated to minimize a difference between said trade execution price and a reference price for said security.” This element of claim 20 is not described in Huttenlocher. The Office Action points to Huttenlocher ¶105 as describing a reference price and execution to provide improvement where applicable, but this section only discusses checking different markets (which in Huttenlocher refers to actual markets and user specified visibility groups) for matching and executing orders. Huttenlocher is only directed to limiting visibility of orders and does not discuss minimizing a difference between a price of an order price limit of a security and a reference price for the security. Withdrawal of the rejection of claim 20 is respectfully requested.

With respect to claim 1, the Office Action acknowledges that Shaw does not teach a reference price and computer executing trading, but alleges that Lupien describes (at Col. 2, line 10) calculating a reference price, electronically storing said reference price, and executing a trade comprising said first order and said second order at a price whose difference from said reference price is minimized, wherein said trade complies with said first and second price and first and second quantity limits. Lupien col. 2, line 10 mentions POSIT crosses. The discussion of POSIT in Lupien states that it enables trades of baskets of stocks, orders are electronically matched, crosses are done during the trading day, and prices are obtained from exchange quotes. (Lupien, col. 2, lines 6-14). None of these relate to calculating a reference price or “executing a trade comprising said first order and said second order at a trade execution price, wherein said trade execution price complies with said first price limit and said second price limit, and wherein said trade execution price is calculated to minimize a difference between said reference price and said trade execution price,” as recited in claim 1.

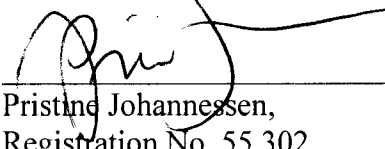
Thus, withdrawal of the rejection of claim 1 over the cited references is respectfully requested.

Claim 14 includes elements in common with claim 1 and is thus also allowable for the reasons described above in respect of claim 1. Withdrawal of the rejection of claim 14 is also respectfully requested.

Dependent claims 2-13, 15-19, and 21-23 include all of the elements of their respective base claims, thus for the reasons described herein, each is allowable over the cited references. Withdrawal of the rejections of claims 1-23 is respectfully requested.

Please charge any fees due for this response to Deposit Account No. 50-0310.

Respectfully submitted,



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Dated: April 15, 2008